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"As a condition of payment, Fannie Mae requires that all lenders who service or sell loans to Fannie Mae comply with all selling and servicing guides." SAC ¶ 29.	"Lenders are bound by and must comply with the . . . the [Fannie Mae] Selling Guide and Servicing Guide." Ex.1, Fannie Mae Selling Guide § A2-1-01.
"Freddie Mac requires that lenders sign a document called the Single-Family Form 16SF. By signing this agreement, the lender represents that it has access to the Seller and Servicer Guide, and any updates, and that the lender agrees to comply with the Guide." SAC ¶ 30.	Freddie Mac "Seller/Servicers must . . . complet[e] Form 16SF, Annual Eligibility Certification Report, as of the fiscal year-end." By doing so, the "Seller/Servicer [certifies that it] has access to an up-to-date Guide," and "complies in all material respects with the provisions and requirements of . . . the Guide." Ex. 14, Freddie Mac Single-Family Form 16SF, at 1, 7, *available at* http://www.freddiemac.com/singlefamily/forms/sell/pdf/16sf.pdf
"As part of their contractual agreements, both Fannie Mae and Freddie Mac require banks to repurchase loans from Fannie Mae and Freddie Mac if the banks violate the selling and servicing guides of Fannie Mae and Freddie Mac, commit fraud, or make misrepresentations to Fannie Mae and Freddie Mac." SAC ¶ 31.	If a "mortgage loan did not meet Fannie Mae requirements due to violation of the Lender Contract (for example, instances of fraud or misrepresentation), Fannie Mae may require the selling lender to immediately repurchase the mortgage loan or property." Ex. 1, Fannie Mae Selling Guide § A2-3.2-02. Freddie Mac "may require the Seller or Servicer to repurchase Freddie Mac's interest in a Mortgage if the Seller or Servicer has . . . [n]ot complied with a requirement, term or condition of the Purchase Document," or "[m]ade false warranties or representations in the Purchase Documents." Ex. 2, Freddie Mac Seller/Servicer Guide § 72.1.
"Changes in HARP 2.0 from the original HARP 1.0 program included 'eliminating or reducing certain risk-based fees'" and "'waiving certain representations and warranties.'" SAC ¶¶ 39, 40.	HARP 2.0 "[p]rogram changes included: eliminating or reducing certain risk-based fees" and "waiving certain representations and warranties." Ex. 15, 2011 FHFA Report to Congress, at 5, *available at* http://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2011_AnnualReportToCongress_508.pdf

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"'In exchange for these program changes, lenders and mortgage insurance companies agreed to remove their own restrictions and overlays, to offer the program in a manner that is consistent with the parameters set out by the Enterprises. This agreement across the industry was unprecedented and the participation and support of the industry is to be commended.'" SAC ¶ 42.	"In exchange for these program changes, lenders and mortgage insurance companies agreed to remove their own restrictions and overlays, to offer the program in a manner that is consistent with the parameters set out by the Enterprises. This agreement across the industry was unprecedented and the participation and support of the industry is to be commended." Ex. 16, Statement of Edward J. DeMarco, Acting Director, FHFA, Before the U.S. Senate Committee on Banking, Housing, and Urban Affairs, *On the State of the U.S. Housing Market: Removing Barriers to Economic Recovery*, Feb. 28, 2012, at 5, *available at* http://www.banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=e0f67ff7-8f5a-4d76-b67b-2c0c4733cd9b
"Vijay Lala, who managed HARP 1.0 and 2.0 for [Bank of America], stated that [the Bank] had been working with FHFA in FHFA's refinement of HARP 2.0 guidelines." SAC ¶ 43.	"Vijay Lala, who manages HARP for Bank of America as a mortgage-products executive, said" that the "Federal Housing Finance Agency has 'called us all back next week to talk'" about the "revamp of the federal Home Affordable Refinance Program." Ex. 18, Jody Shenn, *BofA Says Obama Refinancing-Plan Details Trouble Home Lenders*, Bloomberg Business, Dec. 8, 2011, http://www.bloomberg.com/news/articles/2011-12-08/bank-of-america-says-obama-s-refinancing-plan-details-trouble-home-lenders
"Meg Burns, a senior director at FHFA, stated that the FHFA, lenders and others worked 'very collaboratively to remove the hurdles that we considered to be the most prohibitive to borrower participation' for the HARP 1.0 program." SAC ¶ 43.	"The FHFA, lenders and others worked 'very collaboratively to remove the hurdles that we considered to be the most prohibitive to borrower participation,' said Meg Burns, a senior associate director at the agency." Ex. 18, Jody Shenn, *BofA Says Obama Refinancing-Plan Details Trouble Home Lenders*, Bloomberg Business, Dec. 8, 2011, http://www.bloomberg.com/news/articles/2011-12-08/bank-of-america-says-obama-s-refinancing-plan-details-trouble-home-lenders
"Bank of America affirms its strong support for the recently announced extension of the Home Affordable Refinance Program (HARP) and has	"Bank of America affirms its strong support for the recently announced extension of the Home Affordable Refinance Program (HARP) and has

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already begun offering improved pricing for eligible customers, a key tenet of the enhancements. . . . We believe this an important, well constructed program that will help homeowners who have remained current on their mortgage payments despite declining property values." SAC ¶ 44.	already begun offering improved pricing for eligible customers, a key tenet of the enhancements envisioned in the program. . . . We believe this an important, well constructed program that will help homeowners who have remained current on their mortgage payments despite declining property values." Ex. 17, Press Release, *Bank of America Supports Extended Home Affordable Refinance Program*, Dec. 16, 2011, http://newsroom.bankofamerica.com/press-release/home-loans-insurance/bank-america-supports-extended-home-affordable-refinance-program
The Bank "used HARP 2.0 as an opportunity to fraudulently reap windfall profits." SAC ¶ 4.	"Wells Fargo, JP Morgan Chase and Bank of America took full advantage of their captured audience … and the lack of outside competition . . . [and are] earning massive profits on [HARP 2.0] originations." Ex. 7, Brian Collins, *Megabanks Seem to Be Raking in the Profits on HARP 2.0*, National Mortgage News, Mar. 26, 2012. "[T]he profits the big banks are making on Harp 2.0 refinances [are] 'huge.'" Ex. 8, Kate Berry, *Big Banks to Reap Profits from HARP 2.0*, Am. Banker, Mar. 29, 2012.
The Bank "generat[ed] gross profit margins of more than 5% of the loan value on many of its HARP 2.0 loans." SAC ¶ 46.	"[P]rofit margins on same-servicer [HARP 2.0] refinancing are 3.5%-6.6%," the benefits of which "accrue disproportionately" to the top 3 servicers: "Bank of America . . . , Wells Fargo . . . , and JPMorgan Chase." Ex. 9, Kevin Wack, *Refinance Program Mostly Benefits Big Banks, Not Homeowners: Critics*, Am. Banker, Apr. 26, 2012. "[P]rofit margins on HARP 2.0 refinancings [are] sky high," and a "new report from Amherst Securities found that some megabanks are making 3.5 to 7 points of profit on HARP 2.0 loans." Ex. 6, Paul Muolo, *Wells Puts Limits on Correspondent/Wholesale HARP Production*, Am. Banker, Mar. 26, 2012.

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	"Same-servicer [HARP 2.0] refinancings have been enormously profitable, with a recent Amherst Securities report finding profit margins on these refinancings of 3.5 to 6.6 percent, an unheard of profit margin in this business." Ex. 11, *Helping Responsible Homeowners Save Money Through Refinancing*, Hearing Before the Subcomm. on Hous., Transp. & Cmty. Dev., Sen. Comm. on Banking, Hous., & Urban Affairs, 112th Cong. 29 (Apr. 25, 2012) (statement of Christopher J. Mayer).
The Bank "schemed to use HARP 2.0 to fraudulently and secretly line its own pockets . . . by raising interest rates well above market rates." SAC ¶ 5. The Bank "fraudulently charged above-market interest rates to its HARP 2.0 borrowers." SAC ¶ 64.	"[L]arge lenders [are] charg[ing] above-market interest rates on [HARP 2.0] loans." Ex. 10, Christian Berthelsen & Alan Zibel, *Homeowner Aid Boosts Big Banks*, Wall St. J., June 18, 2012 "[M]egabanks . . . are charging higher than market rates for . . . [HARP 2.0] loans." Ex. 6, Paul Muolo, *Wells Puts Limits on Correspondent/Wholesale HARP Production*, Am. Banker, Mar. 26, 2012. "Banks participating in [HARP 2.0] are able—and willing—to charge higher mortgage rates than normal." Ex. 5, Suzy Khimm, *How banks win big from Obama's new refinancing program*, Wash. Post, Mar. 23, 2012, *available at* http://www.washingtonpost.com/blogs/wonkblog/post/how-banks-win-big-from-obamas-new-refinancing-program/2012/03/23/gIQAzWMpVS_blog.html
The Bank charged interest rates on HARP 2.0 loans that were ".515 percent" higher than "market rates." SAC ¶ 56.	"Banks have been charging HARP borrowers as much as 0.53 percentage points more than the market rate on the refinanced mortgages." Ex. 10, Christian Berthelsen & Alan Zibel, *Homeowner Aid Boosts Big Banks*, Wall St. J., June 18, 2012, *available at* http://www.wsj.com/articles/SB10001424052702303410404577469050569661724

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"The major banks, including [Bank of America], decided not to do HARP 2.0 loans for mortgages that they did not already service or own. So, borrowers who already had their loans through [the Bank] frequently were forced to refinance their loans through [the Bank], despite the high fees BofA placed on HARP 2.0 loans." SAC ¶ 62.	"[L]arge servicers like Wells Fargo, Citi, and Chase have implemented much stricter underwriting guidelines for mortgages they do not already service," and consequently "high LTV borrowers that are supposedly the target of HARP 2 are often locked out from refinancing from all but their existing servicer. . . . [E]xisting servicers are taking full advantage of limited competition. Without competition, borrowers cannot choose a new servicer if they do not like the quality of service or the loan offer their existing servicer presents." Ex. 11, *Helping Responsible Homeowners Save Money Through Refinancing*, Hearing Before the Subcomm. on Hous., Transp. & Cmty. Dev., Sen. Comm. on Banking, Hous., & Urban Affairs, 112th Cong. 28-29 (Apr. 25, 2012) (statement of Christopher J. Mayer). "Wells Fargo, JPMorgan Chase and Bank of America . . . lack[ed] outside competition" on HARP 2.0 loans, which "gave them the pricing power to charge higher rates." Ex. 7, Brian Collins, *Megabanks Seem to Be Raking in the Profits on HARP 2.0*, National Mortgage News, Mar. 26, 2012.
"[Bank of America] knew that its HARP 2.0 borrowers were trapped and did not have the option to refinance with other banks." SAC ¶ 62. "Given that the underwater homeowners had nowhere else to go (as they were not otherwise able to refinance their homes), homeowners with BofA loans guaranteed by Fannie Mae and Freddie Mac had little choice but to participate in the BofA HARP 2.0 loans." SAC ¶ 7.	"'Harp borrowers are kept captive to their existing servicers and as a result have to pay a higher rate.'" Ex. 8, Kate Berry, *Big Banks to Reap Profits from HARP 2.0*, Am. Banker, Mar. 29, 2012. "For the past three months, the nation's largest residential servicers have had a lock on refinancing high LTV and underwater loans in their GSE portfolios." Ex. 7, Brian Collins, *Megabanks Seem to Be Raking in the Profits on HARP 2.0*, National Mortgage News, Mar. 26, 2012.